New York Personal Finance Education

Grades 5-8

Budgeting and Money Management: The understanding of how to allocate one's financial resources to meet life goals 1	**1** Distinguish between financial needs, wants, values, and goals, and explain how each influences spending and savings decisions in real-world situations. 1.1
	2 Analyze why people with similar incomes may experience different financial outcomes, considering factors such as priorities, obligations, unexpected expenses, access to resources, and decisionmaking. 1.2
	3 Create a budget for a hypothetical income that includes planned expenses and savings. 1.3
	4 Evaluate information about goods and services by assessing the credibility, accuracy, and potential biases of different sources, including advertisements and online content. 1.4
	5 Explain how external influences such as peers, advertising, technology, and economic conditions can shape consumer choices and finances. 1.5
	6 Compare common payment methods—including cash, check, credit cards, and digital payment apps—by summarizing their advantages, disadvantages, risks, and consumer protections. 1.6
Credit and Debt Management: The understanding of the role of credit in personal finance and how to avoid potential pitfalls of debt 2	**1** Examine factors that influence the decision to use credit, including needs versus wants, simple interest, fees, repayment terms, and personal and legal responsibilities of using credit. 2.1
	2 Explain the costs and benefits of using credit to finance different types of purchases, and describe situations in which using credit may be helpful or harmful. 2.2
	3 Explain strategies credit card users can use to minimize simple interest charges, such as paying balances in full, paying on time, and understanding billing cycles. 2.3
	4 Describe how missed or late payments affect credit agreements, including changes to low introductory interest rates, fees, and long-term costs. 2.4
Earning Income: The understanding of how inc ho	**1** Compare the education, training, and skills required for multiple careers, and explain how these factors influence earning potential. 3.1
	2 nalyze the difference between gross income and net income, including the mpact of taxes and common payroll deductions, such as Social Security and

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money that is taken home 3	**Medicare.** 3.2
	3 **Explain how taxes reduce take-home pay and describe the purposes of taxes, including funding public services such as schools, libraries, roads, emergency services, and community programs.** 3.3
Risk Management: The understanding that risks are a part of life and strategies to manage that risk, including insurance policies 4	**1** **Explain how advance planning and insurance can reduce the financial impact of unexpected events, such as damage to personal property, illness, or injury.** 4.1
	2 **Describe the purpose of insurance and how insurance works, including the concepts of premiums, coverage, and shared risk (e.g., higher premiums for auto insurance for drivers with a bad accident record and flood insurance for houses on the coastline).** 4.2
	3 **Analyze the costs and benefits of purchasing an extended warranty on a specific item (e.g., cellphone, laptop, or vehicle).** 4.3
	4 **Identify common methods used by identity thieves to obtain personal information, such as phishing or fake websites, and recommend actions individuals can take to protect personal and financial information (e.g., safe online behavior, strong passwords, and careful sharing of personal information).** 4.4
Saving and Investing: The understanding of the role of putting money aside to plan for longer-term expenditures 5	**1** **Identify common reasons that people save money—such as for making a large purchase, preparing for emergencies, or reaching personal goals—and create a simple savings plan to reach a short-term goal within one year.** 5.1
	2 **Define and differentiate between investment principal and interest, and then explain how interest allows savings or investments to grow over time.** 5.2
	3 **Compare savings account interest rates across multiple institutions and demonstrate how a higher interest rate will help a person reach their savings goal sooner.** 5.3
	4 **Describe the potential benefits and risks of different types of investment assets, such as stocks, mutual funds, real estate, and cryptocurrency.** 5.4
	5 **Explain why starting to save or invest earlier can lead to greater returns over time.** 5.5
	6 **Explain how diversification helps reduce investment risk by spreading money across different types of assets, rather than relying on one single investment.** 5.6